

SCHEDULE QR

QUALIFIED RESEARCH FACILITY TAX CREDIT

41A720QR
(10-06)

KRS 141.395

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

Attach to Form 720, 720S, 725, 740, 765 or 765-GP.

See instructions on reverse.

Name of Business		Identification Number	Kentucky Corporation Account Number (if applicable)
Taxed as: <input type="checkbox"/> Corporation as defined in KRS 141.010(24) <input type="checkbox"/> Individual <input type="checkbox"/> General Partnership <input type="checkbox"/> Other _____			
Location of Research Facility		County Where Project Is Located	Date of Completion
<input type="checkbox"/> Relocation Within Kentucky <input type="checkbox"/> Expansion			

PART I—Computation of Allowable Tax Credit

1. Cost of Construction
2. Cost of Equipment
3. Total Qualified Costs
4. Allowable Credit Equal to 5% of Qualified Costs

General partnerships must also complete Schedule QR (K-1) for each partner.

PART II—Amount of Credit Claimed

A Tax Year Credit Taken (Month/Year)	B Balance of QRFTC	C Amount of Credit Used (Enter on Schedule TCS, Part II)
1. ___ / ___		
2. ___ / ___		
3. ___ / ___		
4. ___ / ___		
5. ___ / ___		
6. ___ / ___		
7. ___ / ___		
8. ___ / ___		
9. ___ / ___		
10. ___ / ___		
11. ___ / ___		

INSTRUCTIONS FOR SCHEDULE QR

Effective July 15, 2002, Kentucky law permits a credit against income tax liability for the construction of research facilities. "Construction of research facilities" means construction, remodeling and equipping facilities in this state or expanding existing facilities in this state for qualified research and includes only tangible, depreciable property, and does not include any amounts paid or incurred for replacement property. The credit is available once the tangible, depreciable property is placed in service. "Qualified research" means qualified research as defined in Section 41 of the Internal Revenue Code.

Purpose of Schedule—This schedule is to be used by corporations and general partnerships to determine the credit against income tax liability allowed for completion of research facilities in accordance with KRS 141.395. It is also used to record the credit claimed each tax year. A copy must be submitted each year until the full credit is utilized or the 10-year carryforward period has expired. Complete a separate schedule each year that a new project qualifies.

General Instructions—If the entity type is not listed, check the *Other* box and list the entity type.

Identification Number—For an individual, list the Social Security number; for a general partnership, list the FEIN.

Part I Instructions

Line 1—Enter the cost of construction of the qualified cost.*

Line 2—Enter the cost of equipment.*

Line 3—Enter the sum of Line 1 and Line 2.

Line 4—Enter the amount of Line 3 multiplied by 5 percent (.05).

DRAFT
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Part II Instructions

Column A—Enter the month and year the tax credit is taken for this project.

Column B—Enter for year 1, the allowable credit from Part I, Line 4. Enter for each succeeding year, the difference between Column B and Column C.

Column C—Enter the amount of credit used for that year. If the amount is zero, enter -0-. Enter on Schedule TCS, Part II.

NOTE: *The credit cannot reduce the tax liability on Form 720, Form 720S, Form 725, Form 765, Part III, Line 3 below the \$175 minimum.*

*Attach a schedule of the tangible, depreciable property included in Lines 1 and 2 listing the date purchased, date placed in service, description and cost.